

**Title 20—DEPARTMENT OF INSURANCE  
Division 100—Insurer Conduct  
Chapter 8—Market Conduct Examinations**

**PROPOSED RULE**

**20 CSR 100-8.015 Notice of Examination**

*PURPOSE: This rule implements the purposes of section 374.185, RSMo, and establishes uniform standards for providing notice of an on-site market conduct examination to the insurer and reporting the examination warrant to the NAIC, along with a procedure for encouraging resolution prior to incurring unnecessary examination expenses.*

(1) The director shall announce to the applicable company an on-site examination, and shall post an announcement of such examination on the NAIC's examination tracking system, or comparable NAIC product, as determined by the director, as soon as possible but in no case later than sixty (60) days before the estimated commencement of the examination, unless the director has determined that the company has engaged in or is engaging in any practice or course of business in violation of chapter 287, chapter 354 or chapters 374 to 385, RSMo, and the sixty (60) day notice would result in continuing injury to consumers. A warrant issued under 20 CSR 100-8.005 may be incorporated to provide some of the information required in this notice, but such announcement shall contain:

- (A) The name and address of the insurer or company being examined;
- (B) The name and contact information of the audit manager;
- (C) The reason for and the scope of the examination;
- (D) The date the examination is scheduled to begin;
- (E) Identification of any personnel not employed by the department who will assist in the examination, if known at the time the notice is prepared;
- (F) A time estimate for the examination;
- (G) A budget and work plan for the examination and identification of reasonable and necessary costs and fees that will be included in the bill, if the cost of the examination is billed to the insurer company; and
- (H) A request for the insurer company to name its examination coordinator.

(2) The company shall be notified of any practice or procedure which is to be the subject of an examination warrant and prior to any on-site examination shall be given an opportunity to resolve such matters that arise as a result of a market analysis to the satisfaction of the director through informal resolution, settlement agreement, curative order or other formal resolution under sections 374.046 to 374.049, RSMo, before an examination warrant is executed by the director.

*AUTHORITY: sections 374.045, RSMo (2000), 374.185, RSMo (Supp. 2007) and 374.205, RSMo (2000).*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed rule at 9 a.m. on June 12, 2008. The*

*public hearing will be held at the Harry S Truman State Office Building, Room 530, 301 West High Street, Jefferson City, Missouri. Opportunities to be heard at the hearing shall be afforded to any interested person. Interested persons, whether or not heard, may submit a written statement in support of or in opposition to the proposed rule, until 5:00 p.m. on June 12, 2008. Written statements shall be sent to Tamara W. Kopp, Department of Insurance, Financial Institutions and Professional Registration, PO Box 690, Jefferson City, MO 65102.*

*SPECIAL NEEDS: If you have any special needs addressed by the Americans With Disabilities Act, please notify us at (573) 751-6798 or (573) 751-2619 at least five (5) working days prior to the hearing.*